

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

JAN 18 2008

FILED

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

COVENTRY HEALTH CARE OF
NEBRASKA, INC.

RESPONDENT.

CONSENT ORDER

CAUSE NO. C-1667

Feb 11, 2008 ACCT# 0521 \$2,500.00
NO-INVOICE 63115 TRAN# 1846313
COVENTRY HEALTH CARE OF NEBRASKA, INC.
CHECK# 4208

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its representative, Martin W. Swanson and Coventry Health Care of Nebraska, Inc. ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §44-101.01, §44-303 and §44-4047, et seq.

2. Respondent was licensed as a health maintenance organization under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Coventry Healthcare of Nebraska, Inc., Cause Number C-1667 on October 19, 2007. A copy of the petition was served upon the Respondent, at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. The petition alleges that Respondent violated Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-1539, 44-1540(2), 44-1540 (3), 44-1540(4), 44-1540(8), and Title 210, Chapter 61 §§006.01, 006.02 and 008.03, as a result of the following conduct:

- a. On July 3, 2007, a complaint was filed by Susan Jindra (Jindra), alleging that Respondent had improperly denied a claim for emergency room treatment on January 1, 2007, and that Respondent further delayed the appeals process.
- b. Barbara Ems (Ems), an insurance investigator with the Nebraska Department of Insurance contacted Respondent on or about July 6, 2007. Respondent responded on July 27, 2007. Respondent informed the Department of Insurance that the claim was received on January 9, 2007, but Respondent did not accept the claim immediately as they did not have the medical records. The records were received on March 13, 2007, and the claim was denied on April 19, 2007, after a delay of thirty-seven days.
- c. On August 1, 2007, Ems sent a letter to Respondent to ask why it took thirty-seven days for the medical director to render a decision and also to ask how Respondent was in compliance with Title 210 NAC Ch. 61. The letter was not responded to by Respondent.
- d. On August 27, 2007, Ems sent another letter to Respondent informing them that they needed to respond. On September 5, 2007, Respondent responded to the initial issues raised in the August 1, 2007 letter. In their response to the issue about Chapter 61, they admitted that they paid the claim and forwarded another 12% to the provider. However, while this may address prompt pay concerns, their letter did not address the issue of potential violations of Title 210 NAC Ch. 61.

3. Respondent was informed of the right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent does not admit or deny that it violated Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-1539, 44-1540(2), 44-1540 (3), 44-1540(4), 44-1540(8), and Title 210,

Chapter 61 §§006.01, 006.02 and 008.03, however, in order to resolve this matter, Respondent agrees to abide by the terms of this Consent Order.

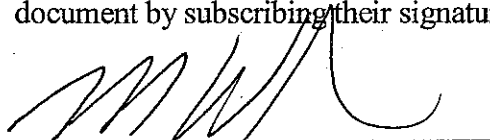
CONCLUSIONS OF LAW

The conduct of Coventry Health Care of Nebraska, as alleged above, constitutes a violations of Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-1539, 44-1540(2), 44-1540 (3), 44-1540(4), 44-1540(8), and Title 210, Chapter 61 §§006.01, 006.02 and 008.03.

CONSENT ORDER

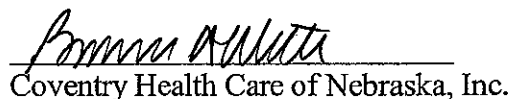
It is therefore ordered by the Director of Insurance and agreed to by Respondent, that Respondent shall pay an administrative fine in the amount of two-thousand five hundred dollars (\$2,500.00). The Respondent has thirty days from the date of approval of this consent order by the Nebraska Director of Insurance to pay the two thousand five hundred dollar fine. Respondent also agrees to review its claims review process in order to rectify the issues that arose from the substance of the petition filed in this matter. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.



Martin W. Swanson, #20795
Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508
(402) 471-2201

15 JAN 08
Date

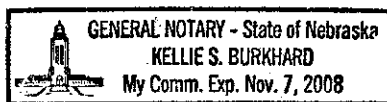


Coventry Health Care of Nebraska, Inc.

1/14/08
Date

State of Nebraska)
County of Douglas) ss.

On this 14th day of January, 2008, Coventry Health Care of Nebraska, Inc. personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.



Kellie S. Burkhard
Notary Public

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Coventry Health Care of Nebraska, Inc., Cause No. C-1667.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Ann M. Frohman
ANN M. FROHMAN
~~Acting~~ Director of Insurance

1-18-08
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at P.O. Box 541210, Omaha, Nebraska 68154, by certified mail, return receipt requested on this 18th day of January, 2007⁸.

Jurcy A. Luhn